Alberta

Freedom To Create. Spirit To Achieve.

Aboriginal Relations

Annual Report
2009-2010

Government of Alberta

Aboriginal Relations

Annual Report
2009-2010

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of the 24 Ministries.

The annual report of the Government of Alberta released June 30, 2010 contains Ministers' accountability statements, the consolidated financial statements of the Province and The Measuring Up report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Aboriginal Relations contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act and Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2010, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's decisions as at September 23, 2010, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

ORIGINAL SIGNED BY

Len Webber
Minister of Aboriginal Relations

Message from the Minister

It was another outstanding year for the Ministry of Aboriginal Relations. Thanks to the support and contributions of our dedicated staff, we continued to make important progress on our business plan goals and objectives. And like all of government, our ministry took action in 2009-10 by looking internally at ways to more efficiently provide services to Albertans. The collective savings resulting from those efforts helped lower the deficit and improve the government's fiscal position.

The *Protocol Agreement on Government-to-Government Relations* provides regular opportunities for engagement between elected officials of the Government of Alberta and First Nations. During the year, the Premier and my predecessor, the Honourable Gene Zwozdesky, Minister of Aboriginal Relations, met with the Grand Chiefs and Vice Chiefs to discuss progress under the Agreement. Two meetings were also held between Ministers, Grand Chiefs and Vice Chiefs.

The Ministry initiated a review of the *First Nations Consultation Policy on Land Management and Resource Development*. Progress in 2009-10 included engaging with First Nations' and industry representatives and providing funding to support First Nations' participation in the review process.

In response to the concerns and priorities of First Nations and Métis leadership of Fort Chipewyan, the Ministry continued to lead and support effective co-ordination, communication and collaboration among relevant provincial government ministries. We also supported Health and Wellness in their lead role with respect to Fort Chipewyan health issues and discussions.

The First Nations Development Fund (FNDF) continues to be an excellent source of funding for First Nations economic, social and community development projects. In 2009-10, the FNDF Grant Program paid over $104 million, supporting over 200 projects in First Nations communities across Alberta.

The Ministry continued to play a vital role in the collaborative efforts to enhance Aboriginal education. In October the Alberta government partnered with First Nations, Métis and Inuit leaders to establish a First Nations, Métis and Inuit (FNMI) Education Partnership Council to guide the future direction of FNMI education in Alberta. In February, the governments of Alberta and Canada, together with the Assembly of Treaty Chiefs of Alberta, signed an historic Memorandum of Understanding (MOU) on First Nations education.

Strengthening Aboriginal participation in the economy is a top priority. In June 2009, the Ministry hosted the Gathering for Success: Sharing Indigenous Economic Development Practices symposium. More than 700 delegates from around the globe attended the three-day symposium in Banff to build relationships, develop partnerships and share Aboriginal economic development practices.

The year also saw continuing work under two important agreements with representatives of more than 85,000 Métis people of Alberta, the largest Métis population in the country.

The Government of Alberta and the Metis Settlements General Council (MSGC) have an $18 million, three-year Funding Agreement to support ongoing efforts aimed at effective governance, enhanced accountability and long-term sustainability for the province's eight Métis Settlements.

Under the *Alberta-Métis Nation of Alberta Association Framework Agreement*, partners continued working together to enhance the economic and community well-being of Métis people in Alberta. In 2009-10, funding under the Agreement enabled the Métis Nation of Alberta Association (MNAA) to participate in formal initiatives with the government, including the FNMI Education Partnership Council.

The Ministry continues to address the needs of the Alberta's urban Aboriginal population in partnership with federal and municipal governments, Aboriginal organizations, the private sector and other non-profit organizations. Along with our partners, the Ministry delivers the Urban Aboriginal Strategy (UAS) in Edmonton, Calgary and Lethbridge. As a funder and advisor to the three UAS community organizations, Aboriginal Relations actively supported each of the organization's capacity building activities, community and strategic plans and granting cycles.

In the coming year, the Ministry will continue to work with other ministries, Aboriginal governments and industry to strengthen our relationships and create more social and economic opportunities for First Nations, Métis and Inuit people in Alberta.

ORIGINAL SIGNED BY

Len Webber
Minister of Aboriginal Relations

September 23, 2010

Management's Responsibility for Reporting

The Ministry of Aboriginal Relations is a single entity and does not have regulated funds, provincial entities or government entities as part of its operations. The Metis Settlements Appeal Tribunal and the Metis Settlements Ombudsman Office report directly to the Minister.

The executives within the Ministry have the primary responsibility and accountability to ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Aboriginal Relations. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results.

The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2009. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to cost, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;

- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Aboriginal Relations any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

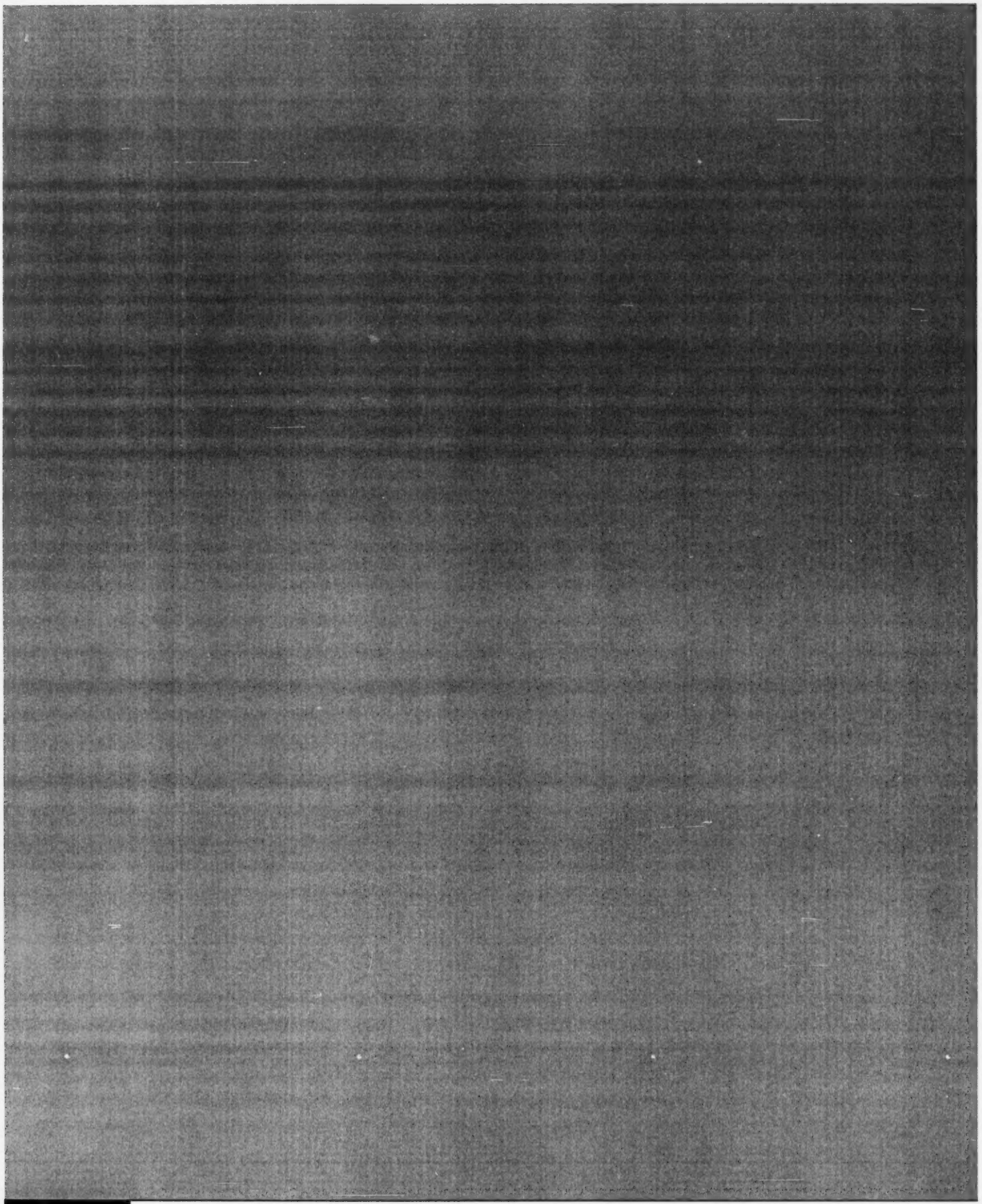
In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.

ORIGINAL SIGNED BY

Maria David-Evans
Deputy Minister
Aboriginal Relations

September 23, 2010

RESULTS ANALYSIS



Ministry Overview

Vision

Strong and vibrant Aboriginal communities and people, fully participating in the opportunities of a prosperous and diverse Alberta.

Mission

Oversee the development and alignment of Government of Alberta legislation, policies and initiatives that affect Aboriginal people and their rights, by building effective relationships with Aboriginal communities, industry and governments.

Core Business and Goals

As stated in Aboriginal Relations' 2009-12 Business Plan, the Ministry has one core business and two goals. The core business is "Aboriginal relationships, legislation and initiatives." The goals are as follows:

Goal One: Support economic and social development of Aboriginal communities and people.

The Ministry implements initiatives to develop strategic economic partnerships between Aboriginal communities, industry and educational institutions; provides advice and specialized knowledge to provincial and federal departments, municipal governments and industry; and leads or participates in cross-ministry strategies affecting Aboriginal people. These activities serve to establish effective relationships, legislation, policies and initiatives that contribute to strong and vibrant Aboriginal communities and people.

Goal Two: Ensure Alberta meets constitutional and legal obligations regarding Aboriginal consultation.

The Ministry has an important role in helping to ensure the province's constitutional and legal obligations regarding Aboriginal people are understood and respected, including the settlement of treaty land entitlement claims and the duty to consult whenever constitutional rights may be affected. The review and implementation of applicable legislation, the refinement of consultation policy guidelines and continued support for the development of traditional use studies help to meet the government's responsibilities. These initiatives also contribute to economic growth and participation in the provincial economy.

Organizational Structure

The Ministry's organizational structure is outlined in Figure 1.

The Ministry includes two operational divisions, one supporting division and shares corporate services with the Ministry of International and Intergovernmental Relations (IIR), as outlined on the following page:

First Nations and Métis Relations Division

This division works with Aboriginal communities and other partners to enhance social and economic opportunities for Aboriginal people in Alberta. It oversees agreements between the Alberta government and Aboriginal governments and organizations and is responsible for the administration of Metis Settlements legislation in Alberta.

Consultation and Land Claims Division

This division identifies and resolves land-based issues in Alberta, coordinates provincial government activities regarding Aboriginal land claims and works with Alberta Justice to represent Alberta's interests in litigation. It also coordinates initiatives related to First Nations consultation on land and resource development, manages consultation capacity and Traditional Use Studies programs, and coordinates initiatives to help build Aboriginal self-sufficiency.

Policy and Planning Division

The Policy and Planning area provides support to all sections of the Ministry in the development of recommendations regarding major policy issues, leads corporate planning on behalf of the Ministry, leads the Ministry's participation in federal/provincial/territorial relations on Aboriginal matters and oversees the implementation of the Aboriginal Policy Framework.

Communications Division

This section provides a range of services, including strategic communications planning and advice, issues management, media monitoring and media relations, advertising and responses to public enquiries.

Corporate Services Division

This division provides support services, including financial services, information management, information technology, administrative services and freedom of information and protection of privacy.

Human Resource Services Section

As part of the Corporate Services Division, this section provides services related to staffing, including employee recruitment, human resource planning, employee attraction and retention and employee development.

Ministerial Relationships

The Ministry also supports the *Protocol Agreement on Government-to-Government Relations*, Metis Settlements Appeal Tribunal and the Office of the Metis Settlements Ombudsman.

Protocol Agreement on Government-to-Government Relations

Signed by the Premier, Minister of Aboriginal Relations and the Grand Chiefs of Treaties 6, 7 and 8 in 2008, the Protocol Agreement recognizes the importance of having effective relationships between the Government of Alberta and First Nations and provides regular opportunities for engagement between elected officials.

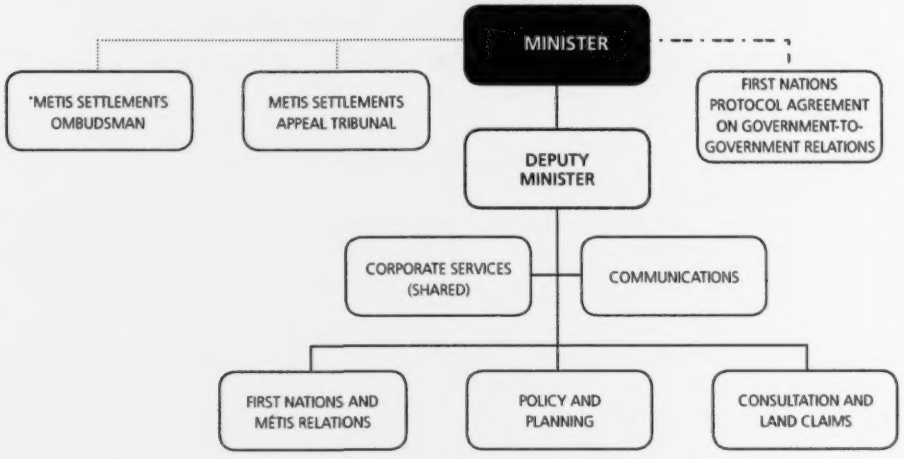
Metis Settlements Appeal Tribunal

The Metis Settlements Appeal Tribunal is a quasi-judicial body established by the *Metis Settlements Act* to resolve disputes pertaining to land, membership and surface access. The chair of the Tribunal has a reporting function to the Minister of Aboriginal Relations. Administrative support and staffing are provided by the Ministry.

Office of the Metis Settlements Ombudsman

The Office of the Metis Settlements Ombudsman is an independent structure with delegated ministerial authority through government regulation to investigate and report on complaints about Metis Settlement councils and administrations on issues of management, procedural fairness and conflict of interest.

FIGURE 1 » MINISTRY OF ABORIGINAL RELATIONS 2009-10 ORGANIZATIONAL STRUCTURE



* Metis Settlements Ombudsman is under contract to the Minister.
..... Reflects independent components of Ministry
– · – – Reflects the importance of relationships between First Nations and the Government of Alberta

CONTACT INFORMATION

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Review Engagement Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the *Ministry of Aboriginal Relations' 2009-10 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2009. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

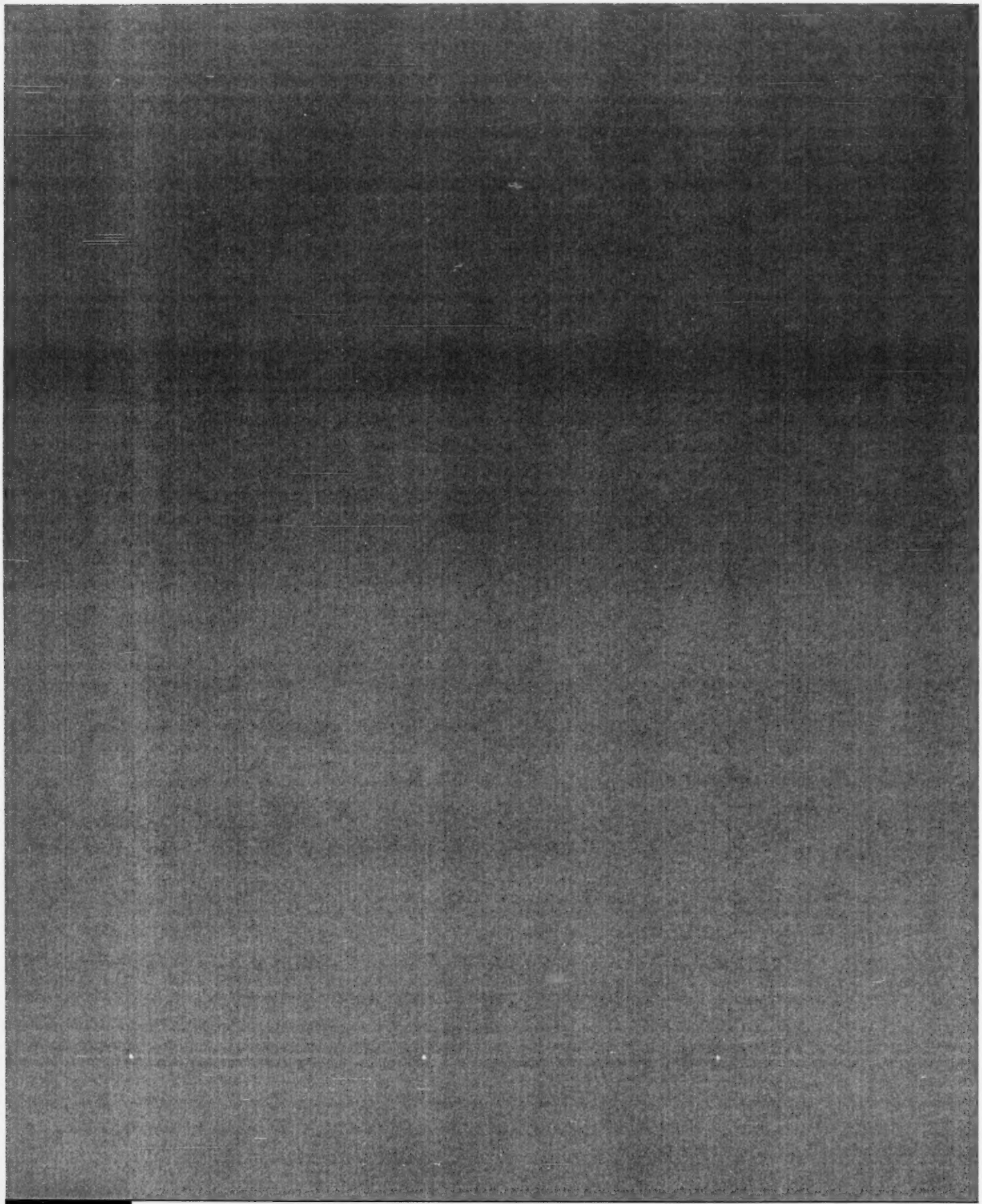
A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2009-10 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

[ORIGINAL SIGNED BY MERWAN SAHER]
CA
Auditor General

Edmonton, Alberta
September 10, 2010

PERFORMANCE MEASURES SUMMARY TABLE



Performance Measures Summary Table

	GOALS/ PERFORMANCE MEASURES	PREVIOUS YEARS' RESULTS		TARGET	CURRENT ACTUAL
		2007-08	2008-09	2009-10	2009-10
1.	**Goal: Support economic and social development of Aboriginal communities and people**				
1.a*	Economic Partnerships: Number of First Nations negotiating strategic economic partnerships with industry and other organizations.	16	18	20	21
2.	**Goal: Ensure Alberta meets constitutional and legal obligations regarding Aboriginal consultation**				
2.a	Land Claims and Related Agreements: Progress on the negotiation and implementation of land claims and related agreements.				
	• Number of final agreements	5	2	5	2
	• Number of fully implemented agreements	12	15	15	15
2.b*	Contacts for Consultation: Number of First Nations with a single point of contact for consultation	42	40	42	44

* Indicates performance measures that have been reviewed by the Office of the Auditor General. The performance measures indicated with an asterisk were selected for review by Ministry management based on the following criteria:

1. Enduring measures that best represent the goal and mandated initiatives,
2. Measures that have well established methodology and data reporting,
3. Measures that have outcomes over which the government had a greater degree of influence, and
4. Each goal has at least one reviewed performance measure.

Data Sources and Methodology

Economic Partnerships

1.a Number of First Nations negotiating strategic economic partnerships with industry and other organizations

This measure is the number of First Nations negotiating strategic economic partnerships with industry and other organizations, funded through the Strategic Economic Initiatives grant program, designed to increase First Nations participation in the economy.

Eligible applicants include First Nations, Tribal Councils, First Nations companies and organizations or non-government organizations that directly promote the economic capacity-building of First Nations. Non-First Nations applicants are considered where there is First Nations support. In this case, the applicant negotiates strategic economic partnerships on behalf of the First Nation. First Nations involved in more than one partnership are counted only once.

Data Source: Aboriginal Relations - First Nations and Métis Relations Division, Aboriginal Economic Partnerships Branch.

Land Claims and Related Agreements

2.a Progress on the negotiation and implementation of land claims and related agreements

Progress on land claims and related agreements is reviewed at the end of the fiscal year and tallied according to whether new developments fall into the categories of "final agreement" or "fully implemented." The results are cumulative, however, no agreement is counted twice. For example, if progress in negotiations advances from final agreement to full implementation, the number of final agreements declines by one, while the number of full implementation agreements increases by one.

If an agreement includes more than one First Nation, each First Nation is counted. For example, if two First Nations are party to a final agreement, then two final agreements are recorded.

As part of the settlement of the Bigstone Cree Nation treaty land entitlement claim, Canada agreed to create one new First Nation, the Peerless Trout First Nation. Final agreements were successfully ratified by the membership of the Bigstone Cree Nation and Peerless Trout First Nation, which will occur in 2010-11. Final agreement in the Siksika Bassano Dam claim was drafted and is awaiting ratification by voters also in 2010-11. Because the results are cumulative, the Ministry did not meet its target of five final agreements as these three treaty land entitlement claims are awaiting Cabinet approval or ratification in 2010-11.

Data Source: Aboriginal Relations - Consultation and Land Claims Division, Land Claims Branch.

Contacts for Consultation

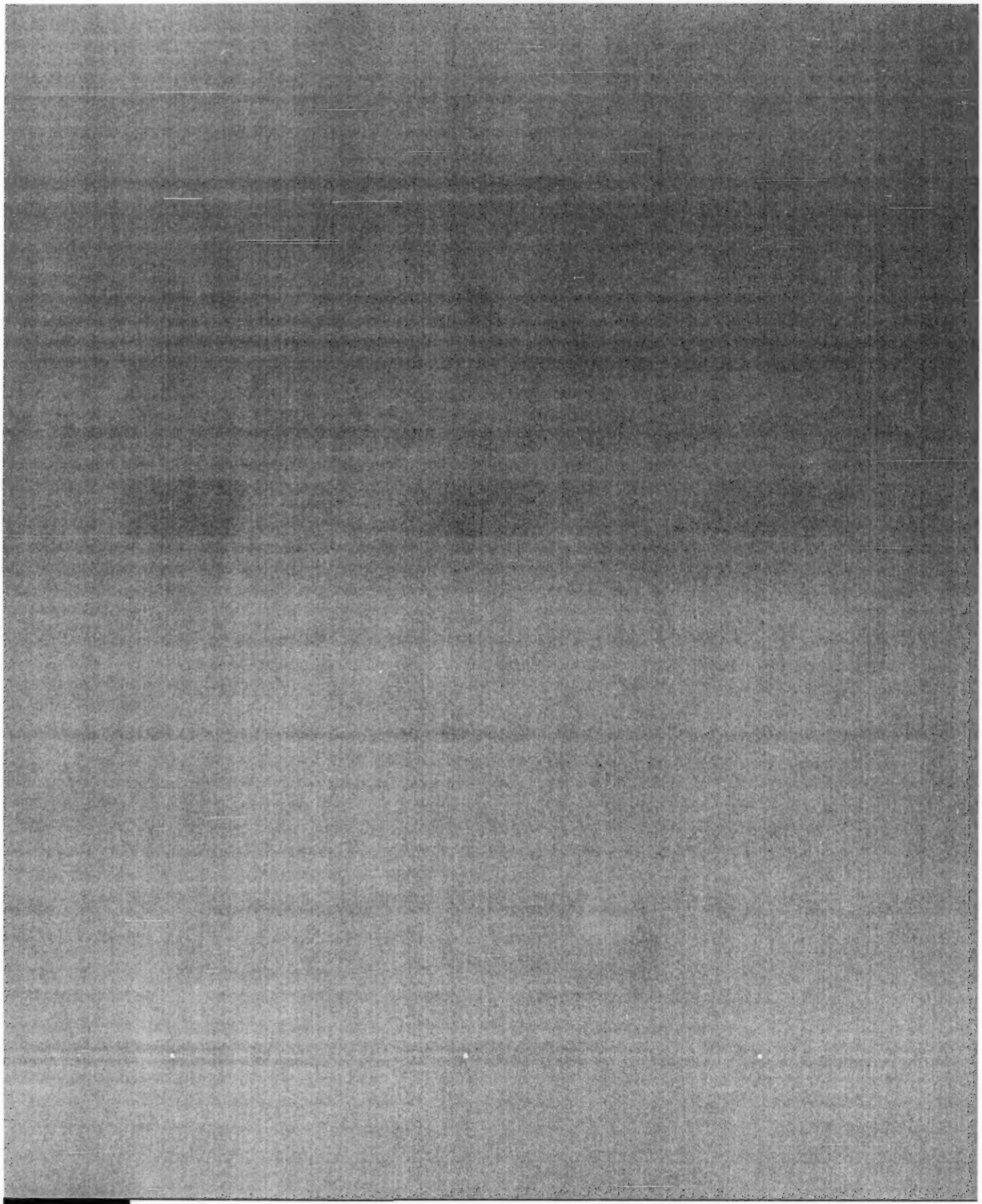
2.b Number of First Nations with a single point of contact for consultation

This measure is the number of First Nations with a single point of contact for consultation regarding the management and development of land. The Ministry requests that First Nations identify a contact person as a requirement for consultation capacity funding. First Nations not accessing funding may also voluntarily identify a single point of contact.

Names of contacts for consultation purposes, endorsed by the First Nation, are provided in writing by First Nations and then posted on the Ministry's website.

Data Source: Aboriginal Relations - Consultation and Land Claims Division, Aboriginal Consultation Branch.

DISCUSSION AND ANALYSIS OF RESULTS



The Story of Aboriginal Relations

The story of Aboriginal Relations is about relationship building and facilitation, and seeking, developing, and maintaining relationships on the behalf of the Government of Alberta and our Ministry with Aboriginal communities. We conducted our business during 2009-10 with a strong mind to building and supporting these relationships.

The role of Aboriginal Relations is to oversee the development and alignment of Government of Alberta legislation, policies and initiatives that affect Aboriginal people and their rights. The Ministry strives to accomplish this by building effective relationships with Aboriginal communities, industry and governments as well as other stakeholders.

The Ministry of Aboriginal Relations supports this vision through its two goals:

Goal 1: Support economic and social development of Aboriginal communities and people; and

Goal 2: Ensure Alberta meets constitutional and legal obligations regarding Aboriginal consultation.

These Ministry goals could not be achieved without developing and nurturing relationships with Aboriginal communities and organizations, industry, other government ministries and levels of government.

Connections with Métis People and Communities

Economic Development and Well-being of Métis People

There has been a series of Framework Agreements between the Government of Alberta and the Métis Nation of Alberta Association (MNAA) since 1987. Through the *Alberta/Métis Nation of Alberta Association Framework Agreement* signed in 2008, the Ministry, along with the MNAA, worked towards the goal of economic development and community well-being of Métis people in Alberta.

In 2009-10, the Ministry and the MNAA signed a Framework Funding Agreement. Under the Agreement, the MNAA and its regions received approximately $1.5 million as a result of the MNAA meeting all of its deliverables. Such deliverables include providing a business plan, annual budget, audited financial statements, and a report on final achievements. This funding enables the government and the MNAA to work collaboratively to strengthen Métis economic development

Metis Settlements

- Alberta is home to the largest Métis population in Canada. There are 85,495 Albertans who identified themselves as Métis in the 2006 Canada census.
- As of 2009, a total of 7,990 people are residents of Alberta's Metis Settlements.
- There are eight Metis Settlements in Alberta. The Metis Settlements cover 512,121 hectares (1.25 million acres) of land.
- Alberta is the only province in Canada with a recognized Métis land base and Métis governments: the eight Metis Settlements were established by legislation.
- The eight Metis Settlements are all located in the northern part of the province.
- Each Metis Settlement is governed by a five-person elected Council, which has statutory authority similar to local governments.

Source: Government of Alberta, Metis Settlements and First Nations in Alberta: Community Profiles, March 2010

and well-being, while helping to preserve Métis identity and cultural heritage. This funding was utilized to enable the MNAA to participate in formal government initiatives such as the First Nations, Métis, and Inuit Education Partnership Council, and the Métis Economic Development Symposium held in Calgary in December 2009. The Ministry also provided funding (though technically not under the Framework Funding Agreement) for the MNAA's engagement in the review of the government's Aboriginal Policy Framework.

In 2009-10, a Framework Technical Committee (FTC) was formed as a forum for officials from the MNAA and the Ministry to discuss implementation of the Framework Agreement. The FTC began work in two main areas: reviewing the adequacy and use of funding under the Agreement, and developing criteria to assess progress on the goals of the Agreement. Funding of $100,000 was allocated to assist the FTC in undertaking these initiatives. This was in addition to the annual grant funding of approximately $1.5 million.

In addition to the funding provided by Aboriginal Relations, there are four sub-Agreements under the Framework Agreement, which provide approximately $150,000 each. These sub-Agreements are between the MNAA (or one of its affiliates) and the ministries of:

- Education/Advanced Education and Technology;
- Children and Youth Services;
- Employment and Immigration; and
- Housing and Urban Affairs.

This funding provides capacity to the MNAA to work with departments on mutually agreed upon initiatives.

Also in 2009-10, a new, streamlined Framework Funding Agreement for 2010-11 was developed.

Metis Settlements: Effective Governance, Enhanced Accountability and Sustainability

The Government of Alberta and the Metis Settlements General Council (MSGC) continued to work toward three broad objectives – effective governance, enhanced accountability and sustainability. In 2008, the Ministry and the MSGC signed a three-year funding agreement based on the three objectives, which includes a number of performance measures under each objective.

Progress on the performance measures is regularly assessed by a committee with representatives chosen by both parties. Under this Agreement, significant progress was made on the three objectives, including improvements in councillor capacity, the development of student performance and parent involvement strategies in education for a number of Settlements. Licensed child care facilities were also established in some Settlements.

Metis Settlements in Alberta

METIS SETTLEMENT	POPULATION*	AREA (HECTARES)
Buffalo Lake Metis Settlement	1,206	34,707
East Prairie Metis Settlement	906	32,635
Elizabeth Metis Settlement	820	25,641
Fishing Lake Metis Settlement	952	37,815
Gift Lake Metis Settlement	999	84,307
Kikino Metis Settlement	1,113	44,743
Paddle Prairie Metis Settlement	1,089	169,909
Peavine Metis Settlement	905	82,364
Total	**7,990**	**512,121**

**Alberta Municipal Affairs, Official Population List, September 2009*

Performance Measures Examples Included under the Agreement

- Improving Settlement administrative capacity
- Developing a conflict-of-interest policy
- Development of infrastructure master plans
- Improvements in child care and education results.

The MSGC Agreement also requires an annual review to determine if goals are being achieved, and to consider amendments. The annual review for 2009-10 concluded that the Agreement was achieving its objectives, but also led to negotiated amendments to the Agreement to better facilitate progress under the three objectives. These amendments include the clarification and streamlining of several performance measures, among other things, ensuring an annual review of the MSGC Conflict of Interest Policy, and ensuring Settlement Council involvement in the development of education strategies.

Continuing progress: New Metis Settlements Land Registry System

In 2009, the Metis Settlement Land Registry implemented a new land and membership information management system, Metis Settlements Land Registry System (MSLRS). MSLRS replaced a system that had been in use for nearly 20 years. The new information management system enabled the Land Registry to provide licensed stakeholders with current information on Settlement lands and membership. The Ministry held four training sessions with Registry Clerks to prepare them on use of the new system. The Metis Settlements Land Registry manages approximately 35,000 registrations in Settlement lands, prepares descriptive plans, and manages survey plans associated with these lands.

Metis Settlements Land Registry

The Metis Settlements Land Registry, operating under the auspices of the department, is a legislated entity established in 1991 to administer the recording and registration of all Metis Settlement land transactions on behalf of individuals, private and public corporations, and governments. The Registrar is also responsible for maintenance of the Metis Settlements Members List, a duty that has been delegated to the Registrar by the Minister of Aboriginal Relations.

The land base of the Metis Settlements in Alberta is approximately 1.25 million acres. Metis Settlements are unique in Alberta. Interests that may be held in Settlement lands reflect the Métis cultural heritage of Settlement members. The effective and efficient administration of such interests is critical, and serves to secure the underpinnings for major economic transactions on Metis Settlement lands.

Northland School Division

A dispute between the Peavine Metis Settlement and Northland School Division over the construction of a new school on the Settlement arose in 2009, a resolution to which Aboriginal Relations helped facilitate. There were a number of issues with the construction of the school, including tenure to the land on which the school was located, and the provision of services to the school site. Alberta Education officials requested the involvement of Aboriginal Relations officials. Aboriginal Relations held a number of meetings with both parties, found common ground, and assisted both in resolving the majority of issues. Although a land transfer issue within Peavine further delayed the resolution of the issue, Aboriginal Relations provided advice to the Minister of Education's appointed trustee, who assisted the parties in reaching a final land transfer agreement. This agreement resulted in students attending the new school on April 12, 2010.

Engagement with Alberta's First Nations

Building relationships is a critical component of establishing and maintaining the mutual trust and understanding necessary to effectively address complex issue, of common concern.

Protocol Agreement on Government-to-Government Relations

On May 20, 2009, the Premier and Minister of Aboriginal Relations met with the Grand Chiefs and Vice Chiefs for their first annual Protocol Agreement meeting to review progress and discuss matters of mutual importance such as the Land-use Framework and water allocation.

Historic Agreement

In May 2008, the Premier and the Aboriginal Relations Minister and the Grand Chiefs and Vice Chiefs of Treaties 6, 7 and 8 signed an agreement establishing a framework for future relations. The Protocol Agreement on Government-to-Government Relations outlines processes to maintain effective relations directly between elected leaders. The Protocol Agreement includes a commitment that Grand Chiefs and Vice Chiefs will meet with the Premier once a year and with Ministers responsible for consultation with First Nations regarding land and resource development twice a year. It creates the opportunity for other Ministers and the Grand Chiefs to undertake similar meetings and processes.

Protocol Agreement meetings between Ministers, Grand Chiefs and Vice Chiefs were held in April and November 2009. These meetings provided an opportunity to discuss several matters including: Land-use Framework, Water Management and Allocation, Education, and the Government of Alberta's First Nations Consultation Policy Review.

The Protocol Agreement Planning Committee (PAPC) was established in 2009 to guide and support the Protocol Agreement process. The Premier, Ministers, Grand Chiefs and Vice Chiefs reviewed and approved the PAPC Terms of Reference and the Year One Work Plan. The PAPC Work Plan sets out action items to support the meaningful implementation of the Protocol Agreement. In addition to planning and preparing for Protocol Agreement meetings, the PAPC addressed other tasks as directed. For example, the PAPC was assigned the task of developing a process to engage First Nations in Alberta's review of the First Nations Consultation Policy on Land Management and Resource Development and related guidelines. The PAPC is also a forum which provides the parties' representatives with opportunities to engage in constructive dialogue and information sharing on matters of shared interest between Alberta and First Nations. During 2009-10, 12 PAPC meetings were held.

Strengthening First Nations Education in Alberta

The Government of Alberta represented by Aboriginal Relations and Education, the Government of Canada, and the Assembly of Treaty Chiefs in Alberta signed a historic Memorandum of Understanding (MOU) on First Nations Education in February 2010. This MOU provides a common vision for strengthening learning and educational success for First Nations learners, which is a priority for all partners. This MOU also provides a framework for collaboration to address a range of education-related issues including parental and community engagement, Treaty and cultural awareness, and on-going work on tuition and education service agreements. The MOU supports the intent and objectives of the Protocol Agreement on Government-to-Government relations.

Key highlights of the MOU include:

- The proposed establishment of an Indigenous Knowledge and Wisdom Centre which will, for the first time, create a centre of education expertise for all the First Nations in the three Treaty organizations;
- A commitment to develop a long-term strategic plan for First Nation education in Alberta to improve First Nations student outcomes; and
- The creation of the Alberta First Nations Education Circle composed of senior officials from all parties to oversee the implementation of the MOU.

First Nations High School Graduation

- 67% of First Nations people aged 20-24 living on reserve in Alberta do not have a high school diploma, compared to 16% for non Aboriginal people in the same age group.
- 46% of First Nations people aged 20-24 living off reserve in Alberta do not have a high school diploma, compared to 16% for non-Aboriginal people in the same age group.

Source: 2006 Canada Census, Statistics Canada

Indian and Northern Affairs Canada will support First Nations in establishing the Indigenous Knowledge and Wisdom Centre and has committed to supporting the development of work plans and strategies contemplated by the MOU. As part of the MOU, Alberta will provide assistance and expertise in areas such as data collection and management as well as curriculum and resource development.

Building Strong Communities—First Nations Development Fund

Strong, vibrant First Nations people and communities are an essential part of Alberta's future. Through its support of social, economic and community development projects, the First Nations Development Fund (FNDF) Grant Program helps to make a positive difference in the lives of First Nations people across Alberta. First Nations that access the fund set their own priorities and oversee implementation of the projects, thus ensuring that funded projects reflect the specific needs and interests of individual communities.

In 2009-10, the fund allocated over $104.8 million to support 233 economic, social and community development projects. Following are examples of projects funded by the FNDF.

First Nations Development Fund

The Government of Alberta's First Nations Gaming Policy includes a provision for the allocation of proceeds from government-owned slot machines located in First Nations casinos to the FNDF Grant Program. This provision is set out fully in the First Nations Gaming Policy, as well as in agreements between the government and First Nations of Alberta: the First Nations Development Grant Agreements of 2004.

How the FNDF Works

Of all First Nation-operated casino slot machine proceeds, 40% are allocated to the FNDF. Of this 40%, 75% of these dollars are available to First Nations with on-reserve casinos (host First Nations). The five First Nations casinos in operation in Alberta are:

- River Cree Resort and Casino at Enoch Cree Nation
- Grey Eagle Casino at Tsuu T'ina Nation
- Eagle River Casino at Alexis Nakoda Sioux Nation
- Casino Dene at Cold Lake First Nations
- Stoney Nakoda Resort at Stoney Nakoda First Nation

Of the 25% allocated to the remaining First Nations, 50% of these funds are equally shared among them, and 50% is allocated based on First Nation population figures.

Paul First Nation—Journey to Employment

Paul First Nation was provided $426,525 for a comprehensive youth employment strategy, "Journey to Employment," to provide youth with various programs and services to increase their education and employment opportunities, including career and employment counseling services, personal development, and cultural services.

Piikani Nation—Buffalo Skull Lodge

Piikani Nation was provided $482,525 to support the Buffalo Skull Lodge, a centre that will provide programs, services, and resources that are designed to enhance, preserve, and protect Piikani-Blackfoot culture, customs, songs, history, and way of life.

Smith's Landing First Nation—Carpentry Training

Smith's Landing First Nation received $19,307 to support the training of community members in carpentry. The training included completing renovations on community housing, and building a storage facility for supplies from the First Nation's cultural camps.

Tsuu T'ina Nation—Education Department

Tsuu T'ina Nation received $3,317,500 to support the operating expenses of the Tsuu T'ina Education Department for 2009-10. This included teaching and administrative staff for the elementary and junior/senior high schools, student transportation, and tuition costs for students attending schools off-reserve.

Supporting First Nations Economic Partnerships

The Ministry facilitates Aboriginal partnerships, strengthens economic capacity, and provides entrepreneurial support under the First Nations Economic Partnerships Initiative (FNEPI). Two key grant programs are delivered under this initiative: Strategic Economic Initiatives and Economic Capacity Building.

The Strategic Economic Initiatives Program supports First Nations in the negotiation of strategic economic partnerships with industry and other organizations. In 2009-10, 21 First Nations received funding to meet this objective, an increase of three from the previous year and above the target of 20 (see the Performance Measures Summary Table, p. 15). An example of a project under this program involved a contribution of $90,000 towards the development of a sand and gravel enterprise on Duncan's First Nation lands, which presented a unique business opportunity for Duncan's First Nation to become a business competitor and provided employment opportunities for up to 10 members.

The Economic Capacity Building Program supports First Nations in developing capacity for Aboriginal people to participate in the Alberta economy. In 2009-10, 14 projects were funded through this program. An example of a project under this program was the Aboriginal Contract Readiness Training Workshops delivered in collaboration with the Confederacy of Treaty 6 First Nations, Enbridge Pipelines, Alberta Aboriginal Relations, Alberta Employment and Immigration and Indian and Northern Affairs Canada. These business development workshops were designed to provide tools needed to maximize future contracting opportunities in Alberta's oil and gas

industry. Ninety-five people from 16 Treaty Six First Nations registered in the program. The Economic Capacity Building Program contributed $50,000 toward this initiative.

Seven Fires Developments Ltd. (economic development arm of Paul First Nation) created an industry liaison project funded by FNEPI that helped develop effective relationships between Paul First Nation and industry to increase employment, career and entrepreneurial opportunities for members. This project led to a $1.5 million electrical contract with TransAlta.

Aseniwuche Winewak Nation (AWN) and its Aseniwuche Development Corporation, with Encana, created a business model framework to increase internal capacity and ensured that sound mechanisms and planning strategies were in place. FNEPI funded the framework which led to growth and expansion of their welding department and resulted in increased sales from $598,000 in 2007-08 to $1.16 million in 2009-10. Despite the economic downturn, AWN is projecting sales in excess of $1.5 million for 2010-11.

Land-related Negotiations

Aboriginal Relations works with Alberta ministries, the federal government and First Nations toward timely resolution of land-related negotiations, including treaty land entitlement claims for which Alberta has an obligation under the *Natural Resources Transfer Agreement (NRTA)*. The *NRTA* was passed in 1930 to provide the prairie provinces, including Alberta, jurisdiction over crown lands and natural resources previously administered by Canada. While the legal obligations to provide land to First Nations under Treaty are exclusively the responsibility of the federal government, Alberta has a legal obligation, under paragraph 10 of the *NRTA*, to the federal government where outstanding treaty land entitlements are concerned, to provide the unoccupied land it requires for reserve creation.

Land Claims in Canada

Canada has three general categories of claims: treaty land entitlement, comprehensive, and specific.

Treaty Land Entitlement (TLE) Claims
Arise when a First Nation did not receive all of the land to which it was entitled under original treaty agreements.

Aboriginal or "Comprehensive" Claims
Arise when First Nations people continue to use or occupy traditional lands where an Indian title has not been extinguished either through treaty or legislation. This is not an issue in Alberta since the entire province is covered by treaties.

Specific Claims
Arise when the federal government has breached obligations under the *Indian Act* involving administration of Indian funds or disposition of Indian land.

The Ministry had set a target of three final agreements to be completed by the end of 2009-10, in addition to the two final agreements in place in the previous year. This target was not met (see the Performance Measures Summary Table, p. 15). Agreements were drafted between Canada, Alberta and Bigstone in the Bigstone Cree Nation treaty land entitlement claim and ratified by a majority of Bigstone voters in March 2010. As part of its final agreement, Canada agreed to create a new Peerless Trout First Nation. However, because the agreement did not receive final approval by both governments in 2009-10, the settlement is not considered to be final in 2009-10.

A final agreement was drafted between Canada, Alberta, the Siksika Nation and the Eastern Irrigation District in the Siksika Bassano Dam claim; however, a ratification vote was not held in 2009-10. The Siksika Bassano Dam negotiations relate to the excision in 1910 of approximately 2,335 acres from the Siksika reserve that were subsequently transferred to the Canadian Pacific Railway for the construction of a dam for irrigation purposes. These lands were subsequently transferred to the Eastern Irrigation District and the initial transfer, ownership of the river bed and the construction and operation of the Bassano Dam are the subject of litigation. The negotiations leading to a final settlement will address a key issue under the Protocol Agreement signed between Alberta and Siksika in 2001.

In addition to these negotiations, Alberta joined Canada and the Beaver (Boyer River) First Nation in negotiation of the Beaver treaty land entitlement claim. The claim was validated by the Government of Canada in early 2009. Final agreements are expected to be completed for Bigstone, Peerless Trout and Siksika in the 2010-11 reporting period. The number of fully implemented agreements remains at 15.

Negotiations with Fort McMurray #468 First Nation are ongoing. The claim was accepted for negotiation in 1994.

Self-Governance

The Ministry leads Alberta's participation in the federal government's self-governance discussions with the Blood Tribe and Treaty 8 First Nations.

Discussions with the Blood Tribe stem from an agreement-in-principle regarding self-governance with respect to: children, youth and family services. The parties have continued to work toward completion and eventual implementation of a Blood Tribe governance agreement (referred to as the Kainai Government Agreement). An important issue under discussion during 2009-10 was the type of legislative model to be adopted to support completion and implementation of the Kainai Government Agreement. The parties also continued to negotiate the financial arrangements.

Treaty 8 First Nations of Alberta also pursued self-government arrangements with the federal government. Alberta has participated as an observer in discussions as they continue to explore potential self-governance arrangements.

First Nations Consultation in Alberta

Whether consulting First Nations is to fulfill constitutional obligations or to promote "good neighbour" relations, Alberta's consultation process is intended to produce better communication, stronger relationships and easier resolution of issues between the Alberta government and First Nations, and industry and First Nations.

First Nations Consultation

Under Section 35 of the *Constitution Act, 1982*, existing Aboriginal and treaty rights of the Aboriginal peoples of Canada are recognized and affirmed. Alberta recognizes that some activities may impact the exercise of existing treaty rights. Alberta recognizes and respects the treaties and is committed to consult with First Nations where resource development decisions may adversely impact the exercise of these rights. These treaty rights include existing constitutionally protected rights to hunt, trap and fish for food. Alberta also recognizes that resource development may affect traditional uses. These include burial grounds, gathering sites, and historic or ceremonial locations. As a matter of policy, Alberta engages First Nations in discussions regarding First Nations impacts of resource development on traditional uses.

Consultation Policy and Guidelines

Where land management and resource development decisions may adversely affect the ability of Aboriginal people to exercise their Aboriginal or treaty rights, Alberta has a constitutional obligation under section 35 of the *Constitution Act, 1982* to consult. Where impacts on the exercise of Aboriginal or treaty rights are not at question, Alberta engages Aboriginal people on a "good neighbour" basis to seek their views.

"Rights and Traditional Uses" includes existing constitutionally protected rights to hunt, trap and fish and does not refer to proprietary interest in the land and public lands such as burial grounds, gathering sites and historic or ceremonial locations.

Alberta consults with First Nations by acting in accordance with current law. The *Government of Alberta's First Nations Consultation Policy on Land Management and Resource Development* addresses the manner in which Alberta will consult with First Nations and defines the roles and responsibilities of all parties. This policy is designed to achieve the following:

- Create an approach to consultation that benefits all Albertans;
- Identify a consistent approach to consultation that will be applied by Alberta government ministries involved in land management and resource development decisions (land management and resource development means decisions involving forestry, energy, and water, and fish and wildlife management); and
- Define Alberta's role in the consultation process, and set out the province's expectations of First Nations and industry, including the delegation to industry of procedural aspects of project-specific consultation.

In 2009-10, Aboriginal Relations continued to coordinate the participation of Alberta ministries with First Nations and industry in the ongoing implementation of the Consultation Policy.

Consultation Capacity

The Ministry continued to deliver the *First Nations Consultation Capacity Investment Program* to help support effective consultation. One of the key deliverables of this program is the establishment of a single point of contact for consultation with First Nations. This individual, often referred to as a 'consultation manager', is a liaison identified by a First Nation, under an agreement with Alberta, with a specific mandate to consult with Alberta and industry. This is important for the implementation of Alberta's consultation policy as it ensures that industry representatives and other stakeholders have a designated contact with whom to work in First Nations communities.

Aboriginal Consultation Coordination Group

Vision: Ministries involved in consultation work together collaboratively by sharing information and fostering innovative practices to ensure that Alberta fulfills its duty to consult.

Mandate: To coordinate cross-ministry policy implementation, task management, and evaluation of the Government of Alberta's First Nations Consultation Policy on Land Management and Resource Development and to develop a consistent cross-ministry approach to Crown consultation with Aboriginal communities.

In 2009-10 there were 44 First Nations with a single point of contact for consultation, up from 40 in the previous year and above the target of 42 (see the Performance Measures Summary Table, p. 15). This increase is due to the fact that several First Nations did not access funding and/or provide contact information until 2009-10.

Cross-Ministry Coordination

The Ministry continued to coordinate Alberta ministries in meeting the province's obligation to consult whenever constitutional rights may be affected. Coordination takes place through the multi-ministry Aboriginal Consultation Coordination Group (ACCG) which is responsible for implementing the Consultation Policy and Guidelines and evaluating the effectiveness of the consultation process. The ACCG terms of reference underwent a major revision in 2009-10 to clarify the group's current objectives, mandate and vision.

Aboriginal Relations also administers the Aboriginal Consultation Information System (ACIS), which is a web-based forum enabling Alberta government staff involved in First Nations consultation to provide input and share information on specific projects and consultation related initiatives. In 2009-10, ACIS information and training sessions were held for provincial staff from ministries involved in the First Nations consultation process to increase cross-department ACIS usage.

Aboriginal Consultation Coordination Group

The ACCG consists of the following member ministries:

- Aboriginal Relations
- Energy
- Environment
- Culture and Community Spirit
- Sustainable Resource Development
- Municipal Affairs
- Transportation
- Tourism, Parks and Recreation
- Infrastructure
- Justice
- Treasury Board

Ministry staff also advised government officials on provincial initiatives, including the Land-use Framework and regional plans, the Oil Sands Strategic Plan, the Regulatory Realignment Project, *Water for Life* and the Multi-use Corridor strategy. Ministry consultation staff directly supported these initiatives by attending meetings

with potentially affected First Nations and by advising cross-ministry government officials of relevant consultation-related issues.

Consultation and the Oil Sands

The Ministry engages with governments and ministries, industry and Aboriginal communities and organizations to explore ways to increase certainty for all parties in the oil sands regions. These include meetings of the Protocol Working Group (PWG), which is composed of Alberta and Athabasca Tribal Council (ATC) First Nation representatives. The PWG worked to create specific consultation guidelines as they relate to resource development in northeastern Alberta. Aboriginal Relations chaired five PWG meetings in 2009-10. These have led to further development of a draft PWG guideline and provide the ATC First Nations with a better understanding of government initiatives, such as the Land-use Framework. As a result, ATC First Nations are participating in the Lower Athabasca Regional Plan process.

The All-Parties Core Agreement (APCA) was created to provide capacity to continue to develop and implement effective strategies to resolve issues related to industrial development that may adversely impact the First Nation communities of ATC. The signatories are the ATC First Nations, industry participants, and Governments of Alberta and Canada. After some participants expressed dissatisfaction with the current agreement, the Ministry participated in discussions that may lead to a new model.

Traditional Use Studies

In support of land management and resource development consultations, the Ministry works with First Nations on the development of Traditional Use Studies (TUS). A TUS can identify where First Nations people hunt, fish or trap on public land, as well as significant sites such as grave sites, cabins, trails and spiritual or sacred places. Since 2003-04, 44 First Nations have accessed more than $12 million in TUS funding.

First Nations receiving TUS funding are required to sign Information Sharing Agreements. These agreements signify a commitment to share information gathered as part of their TUS, including data related to specific traditional use sites, which is used to inform consultation activities.

Supporting Aboriginal Communities and Organizations

Global to Grassroots—Gathering for Success

In June 2009, Aboriginal Relations partnered with Treaty 7 Management Corporation to host the *Gathering for Success: Sharing Indigenous Economic Development Practices* Symposium in Banff. This international conference attracted approximately 700 provincial, national and international delegates resulting in the creation of an online toolkit for Aboriginal economic development practitioners and an International Study Tour on education and economic development with participants from Australia and New Zealand.

The toolkit distributed to participants highlighted important and useful information related to specific areas of economic development, such as community research, financial management, and project funding.

The International Study Tour visited Kikino Metis Settlement to view its lakeside resort operation and Whitefish (Goodfish) Lake First Nation to tour its industrial laundry facility. The objectives of this tour were to:

- share promising economic development practices that are distinctive to Aboriginal communities in Alberta;
- to provide shared learning opportunities;
- promote international business partnerships that will benefit Alberta's Aboriginal communities;
- promote Aboriginal economic development in Alberta and international partnerships with the goal of benefiting Alberta; and
- enable the sharing of promising Aboriginal economic development practices among Aboriginal communities and international participants.

The goal of the symposium was to provide Aboriginal communities and industry the opportunity to develop partnerships, while providing forward-thinking discussions that would advance economic development and self-sustainability for Aboriginal people. This symposium not only achieved its goal, it was a springboard for future relationship building. For example, two workshops were held in 2009-10 on 'Opportunities in Agriculture' and drew 78 participants. Feedback from the workshops indicated the highest areas of interest were in community/local food production, and employment and training. Future workshops will help to further identify interest in various areas of economic development.

Aboriginal Affairs Working Group—Improving Quality of Life of Aboriginal Peoples

Following a meeting of Premiers and National Aboriginal leaders in August 2009, the Aboriginal Affairs Working Group (AAWG) was formed. The AAWG is composed of provincial and territorial Aboriginal affairs ministers and the following five national Aboriginal organizations:

- Assembly of First Nations (AFN)
- Métis National Council (MNC)
- Congress of Aboriginal Peoples (CAP)
- Inuit Tapiriit Kanatami (ITK)
- Native Women's Association of Canada (NWAC)

The goal of the AAWG is to provide a coordinated national approach to close the socio-economic gap which divides First Nations, Métis and Inuit peoples and other Canadians. The AAWG will focus on the following areas:

- Education
- Economic development
- Addressing violence against Aboriginal women and girls, and
- Encouraging federal engagement in the Aboriginal Affairs Working Group

Safe Communities

The Ministry provided support to the Safe Communities Initiative (SafeCom) in implementing recommendations of the Crime Reduction and Safe Communities Task Force that affect Aboriginal people. This included supporting the development of the Alberta Crime Prevention Framework and the Alberta Gang Crime Suppression Strategy and participating on the Safe Communities Innovation Fund (SCIF) review committee.

Safe Communities Innovation Fund Grants

In 2009, $20 million in SCIF grants was provided to support community crime prevention initiatives, including $6.13 million to support SafeCom initiatives that will benefit Aboriginal communities including:

- Native Counselling Services of Alberta for the Gang Intervention and Diversion program;
- Canadian Red Cross Society and the Blood Tribe to reduce violence, and drug, alcohol and tobacco use among Blood Tribe youth; and
- Safe and Caring Schools and Communities and the Alexander First Nation to implement a program for at-risk boys at Kip-oh-ta-kaw Education Centre and Forest Green School in Stony Plain.

Metis Settlements Policing

On June 22, 2009, the Minister of Aboriginal Relations and the President of the Metis Settlements General Council (MSGC), along with the Solicitor General and Minister of Public Security, signed a three-year Agreement, totaling $1,775,000, to establish an enhanced policing pilot project on the eight Metis Settlements. This Agreement commits Alberta to support five police officer positions. The Agreement has created a policing partnership involving two provincial ministries, the RCMP, the MSGC, and all eight Settlements to assist the Settlements in providing safe and secure communities.

Other Initiatives

In addition to the Safe Communities Initiative, the Ministry participated in working groups including the following:

- Federal/ Provincial/Territorial Working Group on Aboriginal Justice issues, which developed a strategy to address violence and victimization in Aboriginal communities;
- Cross-ministry committees addressing social, health and other issues such as the Alberta Mentoring Partnership, the Youth Homelessness Committee; Aboriginal Future Leaders Program, Children's Mental Health Advisory Committee, and Healthy Kids Alberta.

Fort Chipewyan

Aboriginal Relations continued to lead Alberta's response to health concerns identified by First Nations and Métis leaders at Fort Chipewyan. Our approach emphasizes collaboration and building relationships with the community, Aboriginal leaders, other provincial ministries and the federal government. The Minister worked with the Aboriginal leaders of Fort Chipewyan to identify the community's priorities: community health and wellness, land-use and stewardship, community-based environmental monitoring, and regulatory processes.

First Nations, Métis and Inuit Workforce Planning Initiative

The Ministry is committed to working with Aboriginal governments and organizations to achieve our shared goal of full involvement of Aboriginal people in the economic life of Alberta. Under the First Nations, Métis and Inuit (FNMI) Workforce Planning Initiative, an MLA Committee was established to engage Aboriginal leadership across the province in discussions about Aboriginal work force participation.

First Nations, Métis and Inuit (FNMI) Workforce Planning Initiative

The FNMI Workforce Planning Initiative, which Aboriginal Relations co-leads with Employment and Immigration, supported engagement of First Nations and Métis leaders and other stakeholders towards increasing Aboriginal participation in Alberta's work force and economy.

During 2009-10, the MLA Committee had 15 engagement meetings with leaders of First Nations and Tribal Councils, the MSGC, and the MNAA. It also took part in urban Aboriginal forums in Calgary, Edmonton, Lethbridge, Grande Prairie and Fort McMurray.

The MLA Committee also visited Fort McKay First Nation, Siksika Nation, Whitefish (Goodfish) Lake First Nation and Aseniwuche Winewak Nation. These community visits were opportunities for each community to showcase accomplishments and identify challenges and barriers to increasing its employment rates and economic participation.

The Ministry is co-leading the development of a final report under the direction of the MLA Committee.

Alberta's Friendship Centres

There are 20 Friendship Centres in Alberta. While each has a variety of programs, they share a vision to improve the quality of life of urban Aboriginal people residing in Alberta. Alberta's Friendship Centres, like those across Canada, are inclusive as they welcome everyone to participate in their programs and services regardless of their origin or status.

With respect to Alberta's Friendship Centres:

- The Ministry provided funding and advisory support across the province, assisting the centres in delivering services to Aboriginal people transitioning to an urban setting. In 2009-10, the Ministry provided approximately $825,000 in funding for operations and special projects ($757,000 annual base operating funding and approximately $68,000 for special projects).
- A funding agreement was negotiated and finalized in July 2009 to provide $757,000 annually to the Alberta Native Friendship Centres Association. This new centralized funding model provides enhanced accountability and streamlined reporting. Included in the $825,000, the Ministry provided $25,000 for training to executive directors and staff on financial management, performance appraisal, business writing and project management.

Friendship Centres

Friendship centres are non-profit Aboriginal organizations which provide a wide variety of services including health, employment and housing information, recreation and cultural programs. The Alberta Native Friendship Centres Association (ANFCA) is the provincial organization that provides both program and organizational assistance to individual friendship centres to increase their capacity.

Urban Aboriginal Strategy

In 2009-10, the Ministry, in partnership with federal and municipal governments, Aboriginal organizations and other stakeholders, supported the delivery of the federal government's Urban Aboriginal Strategy (UAS). Aboriginal Relations provided $300,000 ($100,000 each) to the following urban Aboriginal community entities to coordinate community-based initiatives:

- Edmonton—Wicihitowin: Circle of Shared Responsibility Society
- Calgary—Calgary Urban Aboriginal Initiative
- Lethbridge—Aboriginal Council of Lethbridge

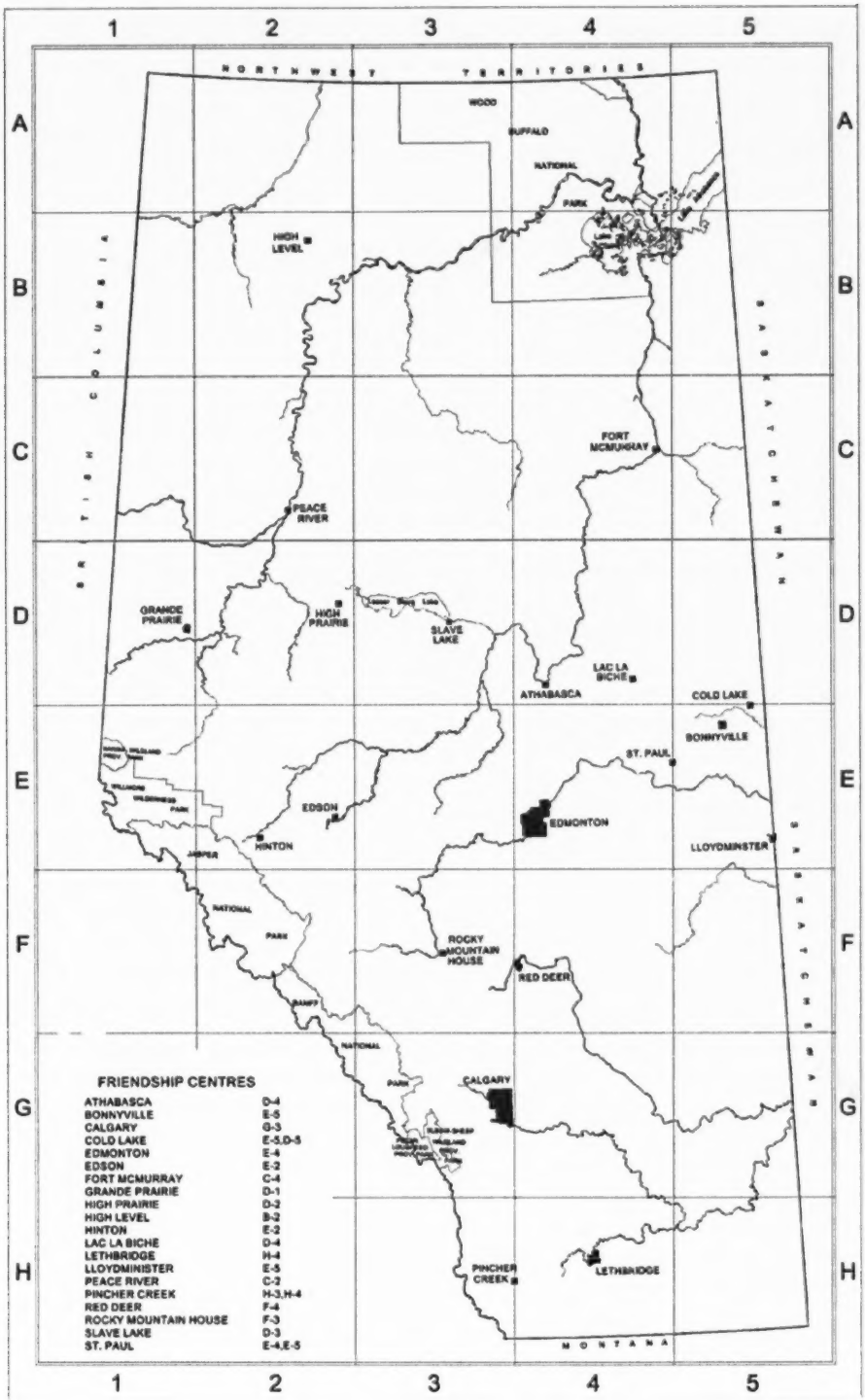
These organizations used Aboriginal Relations' funding to meet operational costs, which included strategic planning, priority identification, and coordination of urban Aboriginal issues.

An additional $129,000 in funding was provided to various other urban Aboriginal organizations for the development and enhancement of other social and economic supports.

Development of FNMI Education Partnership Council

In addition to the development of the Memorandum of Understanding on Education for First Nation learners in Alberta, the Ministry made progress related to Aboriginal education through other mechanisms. In February 2009, the Ministers of Aboriginal Relations, Education, Advanced Education and Technology, and the Alberta Treaty Grand Chiefs and Metis Presidents,

FIGURE 2 » ALBERTA FRIENDSHIP CENTRES



jointly attended the Council of Ministers of Education, Canada (CMEC) Summit on Aboriginal Education in Saskatoon. The Summit facilitated a pan-Canadian dialogue on eliminating the achievement gap between First Nations, Métis, and Inuit (FNMI) learners and other Canadian learners.

In October 2009, following the CMEC Summit, the Ministers of Aboriginal Relations, Education, and Advanced Education and Technology, and Aboriginal leadership in Alberta agreed to the establishment of the First Nations, Métis and Inuit Education Partnership Council (Partnership Council). The purpose of the Partnership Council is to share guidance, advice and a broad representation of perspectives on FNMI education issues.

The Partnership Council's membership includes: the Ministers of Education, Aboriginal Relations and Advanced Education and Technology; Grand Chiefs of Treaties 6, 7 and 8; and the Presidents of the Métis Nation of Alberta Association and Metis Settlements General Council. The Ministers and the Aboriginal leaders invited eight community representatives with knowledge of and experience in First Nations, Métis and Inuit education to participate on the Council.

In the next fiscal year, Council members will continue to work together to identify and coordinate strategic actions that First Nations, Métis and Government partners can commit to - individually and collectively - in order to improve the educational success of FNMI students.

Aboriginal Perspectives—Cross Ministry Initiatives

The Ministry was active in providing on-going support, specialized knowledge and advice, in the development and implementation of cross-ministry education, social and health initiatives, to ensure inclusion and consideration of the needs and perspectives of Aboriginal people. The Ministry took part in numerous cross-ministry initiatives designed to increase the knowledge and capacity of government and community organizations to address and respond to a variety of Aboriginal education, social and health issues. Aboriginal Relations participates in order to promote strong and vibrant communities through the policies, programs and resources developed through all these initiatives.

Aboriginal Relations also provided strategic and policy advice while involved in the following cross-ministry initiatives:

- Aboriginal Relations continued to be an active partner on the Fetal Alcohol Spectrum Disorder (FASD) Cross Ministry Committee and continued to support the implementation of the Government of Alberta's FASD 10-Year Strategic Plan;
- The Government of Alberta's Prevention of Family Violence and Bullying Initiative works to reduce family violence and bullying, and promote strong and vibrant communities. Aboriginal Relations supported the implementation of Alberta's 10-year Framework for Action and participated on the cross-ministry committee and on various sub-committees including the Diversity Relations sub-committee and the Sexual Assault sub-committee;
- The Child and Youth Data Lab is an initiative which supports the collection and analysis of comprehensive data that can help inform future public policy direction and priorities. The

Ministry participated on both the Child and Youth Data Lab (CYDL) Steering Committee and the CYDL Working Group;

- The Ministry participated in the Inspiring Education Working Committee, which provided advice to the Steering committee on potential policy and governance approaches;
- The Government Re-engineering Initiative on Municipal Grants is a cross-ministry initiative to help government become more efficient and effective to protecting the programs and services on which Albertans rely. Among other goals, the initiative aims to enhance the ease of application and access, and the effectiveness of municipal grant programs for Metis Settlements and municipalities. Through the Initiative, 77 provincial and federal grant programs were consolidated into 19 provincial programs and four federal programs. The Initiative also created the Municipal Grants Web Portal to provide a single point of access for Metis Settlements and other municipalities looking for information on, and applying for, municipal grants. Aboriginal Relations has supported the initiative through participation on the Deputy Minister's Steering Committee and the Cross-Ministry Working Committee, and by facilitating and funding a consultation session with representatives from the Metis Settlements.

National Aboriginal Day

In 1996, the Government of Canada declared June 21 to be National Aboriginal Day to celebrate the contributions of Aboriginal people to Canadian society and recognizing their unique cultures.

National Aboriginal Day is celebrated across the country and the province at dozens of events held in and around June 21 where First Nations, Métis and Inuit people gather to showcase their cultures. These celebrations give all Albertans an opportunity to learn more about Aboriginal cultures, languages and traditions which are a part of Alberta's heritage and character. Celebrations also increase awareness of Aboriginal people's contributions to the development of the province and Canada.

The Ministry hosted a public National Aboriginal Day celebration on June 18, 2009. The event showcased First Nation and Métis dancing, drumming, singing, jigging and contemporary music. Complimentary tea and bannock were provided.

Aboriginal Policy and Legislation in Alberta

As noted earlier, a key role of Aboriginal Relations is to oversee the development and alignment of Government of Alberta legislation, policies and initiatives that affect Aboriginal people and their rights. In 2009-10, the Ministry led or participated in several initiatives that related to the development of Aboriginal policy and legislation, or policy and legislation where Aboriginal concerns needed to be addressed.

The Aboriginal Policy Framework

In 2009-10, the Ministry began preparations for the review of Alberta's *Aboriginal Policy Framework (APF).*

Participation by Aboriginal leadership will be critical to the success of the APF review. As a first step in developing a review plan, the Minister of Aboriginal Relations met with the leaders of Treaties 6, 7 and 8; the Metis Settlements General Council (MSGC); the Métis Nation of Alberta Association (MNAA); and the Alberta Native Friendship Centres Association (ANFCA). Grant agreements were finalized with the MSGC, MNAA, and ANFCA to support their capacity to provide input as the review continues into 2010-11.

The Aboriginal Policy Framework

Strengthening Relations: The Government of Alberta's Aboriginal Policy Framework articulates two goals. The first goal is to enhance socio-economic opportunities for Aboriginal people; the other is to clarify the roles and responsibilities of federal, provincial and Aboriginal governments and communities. The APF provides guidance to provincial ministries in their relations with Aboriginal governments and organizations, and with the development and implementation of policies, programs, and services.

Review of Consultation Policy and Guidelines

The Supreme Court of Canada determined in 2005 that all provinces and territories have a legal duty to consult with First Nations where provincial land management and resource development decisions may adversely impact constitutional rights.

Alberta was the first province to develop a consultation policy. The Government of Alberta's *First Nations Consultation Policy on Land Management and Resource Development* was introduced in 2005. Associated guidelines on how to implement the policy were released in 2006 and updated in 2007. Consultation is an essential step to ensuring Alberta maintains its global competitiveness in land management and resource development, while still respecting treaty rights and traditional uses.

The Ministry is overseeing a review of the Policy and associated Guidelines. In 2009-10, progress towards the review included the following:

- The review was initiated, including engagement with both First Nations' and industry representatives, to help strengthen the consultation process.
- A total of $400,000 was provided to the three Treaty organizations to support First Nations' involvement in the review process through a Policy review sub-table.
- Industry representatives were engaged in the process through several focus groups held in late 2009 as well as through the Guidelines Advisory Group (GAG). The GAG is made up of representatives from the Canadian Association of Geophysical Contractors, the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada, the Canadian Energy Pipeline Association, the Alberta Forest Products Association and the Alberta Chamber of Resources.

Following First Nations and industry engagement in the review process, and with Cabinet approval, Alberta expects to release a revised *Consultation Policy* in 2011. Updated *Guidelines* are expected to follow a similar engagement process with First Nations and industry partners.

Aboriginal Services Review

At the request of Treasury Board, Aboriginal Relations led a review of Aboriginal services across government. Representatives from each ministry formed an interdepartmental committee that met throughout the year. The review provided a significant opportunity to assess the success of Aboriginal services to ensure their continued efficiency and effectiveness. In order to coordinate Aboriginal policy and services, the results of the service review will be linked to the Aboriginal Policy Framework.

Regulatory Barriers

The Ministry has been working collaboratively with the federal government and First Nations to remove jurisdictional and regulatory barriers to major developments on First Nations reserves. In May 2009, Parliament assented to an amendment of the *Indian Oil and Gas Act*. The amendment allows for the referential incorporation of relevant provincial law as federal law in certain circumstances. The intent of the amendment is to eliminate existing regulatory gaps in the management of oil and gas exploration and production on Canadian Indian reserves.

Alberta Land Stewardship Act

In 2009-10, the Ministry worked with Alberta Sustainable Resource Development to secure changes to the *Alberta Land Stewardship Act* to better reflect the unique nature of Metis Settlement lands and governance structures in the legislation.

Aboriginal Strategies Conference

Policy and planning with respect to Aboriginal issues would not be effective without the sharing of data and knowledge. In November 2009, Aboriginal Relations helped sponsor the three-day Statistics Canada Aboriginal Strategies conference in Edmonton. The conference showcased successful strategies for sharing knowledge, experiences, best practices and challenges in five key areas: children, families and youth; economic development and labour market; health and well-being; the North; and Canada's growing urban Aboriginal population.

Aboriginal People in Alberta

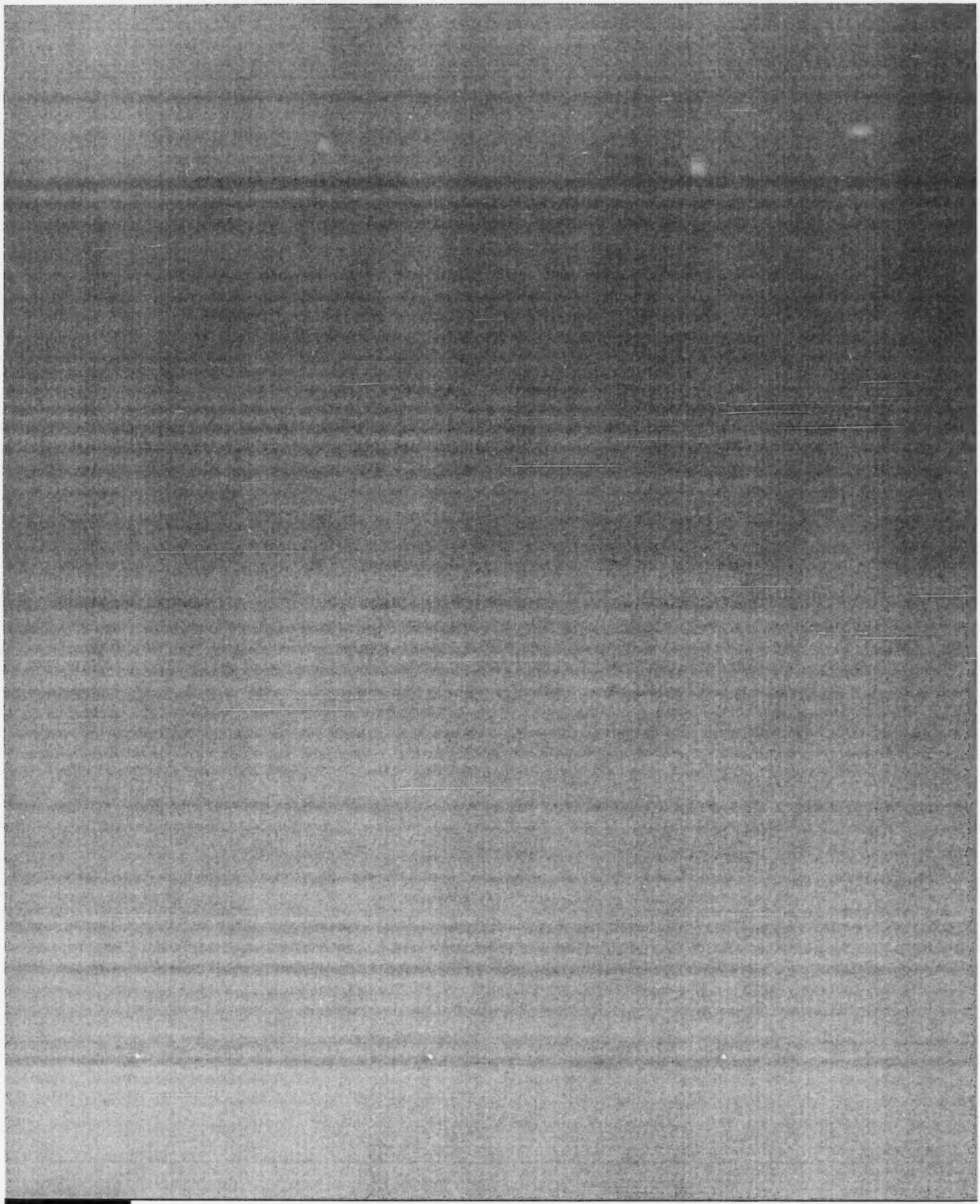
Aboriginal peoples is a collective name for the original people of North America and their descendants. The Canadian Constitution recognizes three groups of Aboriginal people: Indian (First Nations), Métis and Inuit. These are three distinct peoples with unique histories, languages, cultural practices and spiritual beliefs.

FACTS AND FIGURES

- Alberta's Aboriginal ancestry population is close to 250,000 and has increased 23% in five years (2001-2006).
- Alberta has Canada's third-largest Aboriginal population.
- Alberta has one of the youngest Aboriginal populations in the country. Almost a third (31%) of the province's Aboriginal population is under 14 years of age compared to 19% for the non-Aboriginal population.
- Of Alberta's Aboriginal people, 63% now live in urban areas.
- Edmonton and Calgary are among the top 10 census metropolitan areas with the largest Aboriginal populations in Canada.
- There are 47 First Nations and 134 reserves covering three Treaty areas: Treaty 6 (central); Treaty 7 (south); and Treaty 8 (north).
- Alberta's Métis population was 85,495 in 2006.
- There are eight Metis Settlements in Alberta, comprising 512,121 hectares (1.25 million acres). This is the only recognized Métis land base in Canada.
- As of 2009, a total of 7,990 people are members of Alberta's Metis Settlements.

SOURCE: ABORIGINAL RELATIONS - FEBRUARY, 2010

MINISTRY EXPENSE BY FUNCTION



Ministry Expenses

TABLE 1 » MINISTRY EXPENSES
For the year ended March 31, 2010
(IN THOUSANDS)

	2009-10 BUDGET	2009-10 ACTUAL	2008-09 ACTUAL
Aboriginal Relations	$ 149,941	$ 144,269	$ 141,813

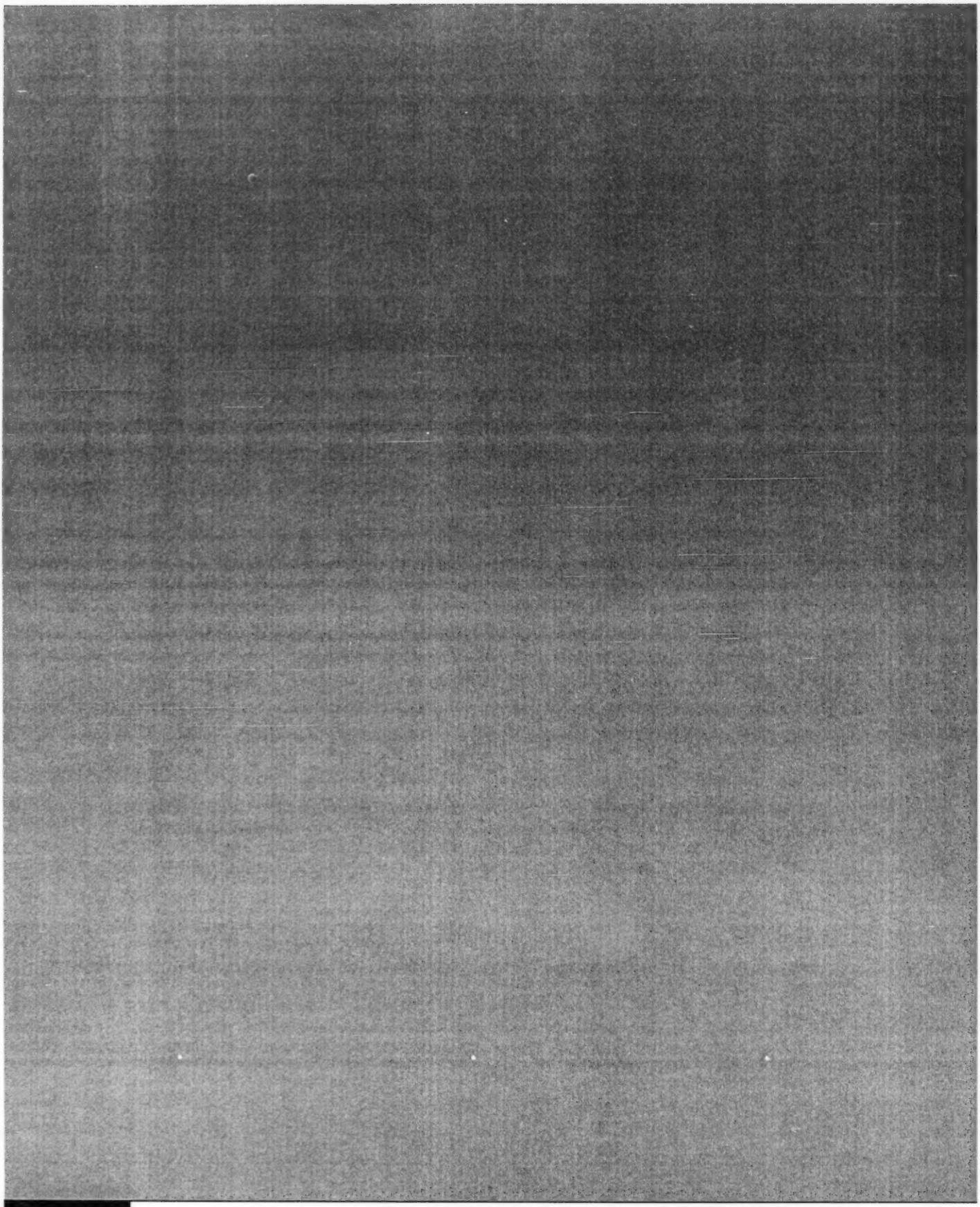
Integrated Results Analysis

The table above is a comparison of 2009-10 actual expenses to the 2009-10 budget and the 2008-09 actual expenses for the Ministry's core business of First Nations and Métis Relations. The actual expenses for 2009-10 were $144.3 million, which was less than the budgeted $149.9 million resulting in a surplus of $5.6 million. The majority of the Ministry surplus can be attributed to First Nations Development Fund (FNDF) revenues being $4.424 million less than budget estimates. The amount of grant funding that can be approved through FNDF is based on available revenues generated by casinos at host First Nations. In addition, the Ministry experienced unexpected delays during the early implementation stages of the Metis Settlements Policing project, which resulted in a surplus of $0.377 million and an extension of the project until March 31, 2013. Finally, $0.574 million of the surplus can also be attributed to a reduction in targets levied by Alberta Treasury as part of the Government wide value savings review. The Ministry was able to obtain the revised targets through savings attained by the hiring freeze. A decrease in Aboriginal Consultation contract spending due to decreased activities accounts for much of the remaining surplus.

The Ministry expenses for 2009-10 was $2.5 million higher than in the previous year. This was primarily due to increase spending on FNDF Grants to reflect increased revenues.

Ministry expenses are allocated entirely to the Regional Planning and Development function of the Government of Alberta.

FINANCIAL INFORMATION



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Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the statements of financial position of the Ministry of Aboriginal Relations as at March 31, 2010 and 2009 and the statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

[ORIGINAL SIGNED BY MERWAN SAHER]
CA
Auditor General

Edmonton, Alberta
June 8, 2010

Financial Statements

STATEMENTS OF OPERATIONS

Year ended March 31

(IN THOUSANDS)

	2010		2009
			RESTATED (NOTE 3)
	BUDGET (SCHEDULE 3)	ACTUAL	ACTUAL
Revenues (SCHEDULE 1)			
Internal Government Transfers	$ 110,200	$ 105,768	$ 102,075
Other Revenue	-	204	295
	110,200	105,972	102,370
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 7)			
Voted (SCHEDULES 2 AND 4)			
Ministry Support Services	$ 3,661	$ 3,486	$ 3,196
First Nations and Métis Relations	21,724	20,273	20,978
Métis Settlements Appeal Tribunal	1,092	1,067	1,116
First Nations Development Fund	110,000	105,576	101,877
Consultation and Land Claims	12,114	12,521	13,231
Policy and Planning	1,350	1,035	1,180
Land and Legal Settlements	-	60	-
	149,941	144,018	141,578
Statutory (SCHEDULES 2 AND 4)			
Valuation Adjustments			
Provision for Vacation Pay	-	251	235
	-	251	235
	149,941	144,269	141,813
Net Operating Results	$ (39,741)	$ (38,297)	$ (39,443)

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at March 31

(IN THOUSANDS)

	2010	2009 RESTATED (NOTE 3)
ASSETS		
Cash and Cash Equivalents	$ -	$ 51
Accounts Receivable (NOTE 4)	29,183	30,731
Advances (NOTE 5)	200	210
Tangible Capital Assets (NOTE 6)	386	412
	$ 29,769	$ 31,404
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 33,443	$ 37,217
NET LIABILITIES		
Net Liabilities at Beginning of Year	(5,813)	(8,137)
Net Operating Results	(38,297)	(39,443)
Net Financing Provided from General Revenues	40,436	41,767
Net Liabilities at End of Year	(3,674)	(5,813)
	$ 29,769	$ 31,404

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended March 31

(IN THOUSANDS)

	2010	2009 RESTATED (NOTE 3)
Operating Transactions		
Net Operating Results	$ (38,297)	$ (39,443)
Non-cash items included in Net Operating Results		
Amortization	58	50
Valuation adjustments	251	235
	(37,988)	(39,158)
Decrease (Increase) in Accounts Receivable	1,548	(4,629)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(4,025)	2,206
Cash Applied to Operating Transactions	(40,465)	(41,581)
Capital Transactions		
Acquisition of Tangible Capital Assets	(32)	(125)
Investing Transaction		
Decrease (Increase) in Advances	10	(10)
Financing Transactions		
Net Financing Provided from General Revenues	40,436	41,767
(Decrease) Increase in Cash and Cash Equivalents	(51)	51
Cash and Cash Equivalents, Beginning of Year	51	-
Cash and Cash Equivalents, End of Year	$ -	$ 51

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Aboriginal Relations operates under the authority of the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.*

The purpose of the Ministry is to lead in the development of government-wide strategies and policies to enhance capacity and well-being of Aboriginal people, by building respectful relationships, collaborating and partnering with other ministries, Aboriginal governments and organizations, industry, other levels of government, and various stakeholders. The Ministry fulfills this role by focusing on the following two goals:

- Build capacity for economic participation, self-reliance and effective governance within Aboriginal governments and organizations.
- Lead Alberta's Aboriginal consultation strategy and facilitate the resolution of land issues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Aboriginal Relations for which the Minister of Aboriginal Relations is accountable. The Ministry Annual Report provides a comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

INTERNAL GOVERNMENT TRANSFERS

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Grants are recorded as expenses when authorized and all eligibility criteria have been met.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which are the cost of employer contributions during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

INCURRED BY OTHERS

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 7.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 PROGRAM TRANSFER AND PRIOR PERIOD RESTATEMENT

(in thousands)

Effective April 1, 2009, the Aboriginal Justice Initiative Unit (AJIU) was transferred to the Ministry from the Department of Solicitor General and Public Security (SGPS). The 2009 comparative financial statements have been restated to reflect this change as if it occurred in the prior period to provide comparative information on the same basis as for 2010.

Net Liabilities as previously reported at April 1, 2008	$ (8,066)
Transfer from the Department of SGPS	(71)
Restated Net Liabilities at April 1, 2008	$ (8,137)
Net Operating Results as previously reported at March 31, 2009	$ (38,999)
Expenses transferred from the Department of SGPS	(444)
Restated Net Operating Results at April 1, 2009	$ (39,443)

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2010			2009
	GROSS AMOUNT	ALLOWANCE FOR DOUBTFUL ACCOUNTS	NET REALIZABLE VALUE	NET REALIZABLE VALUE
Accounts Receivable	$ 29,183	$ -	$ 29,183	$ 30,731

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 ADVANCES

(in thousands)

	2010	2009
	NET REALIZABLE VALUE	NET REALIZABLE VALUE
Travel and Other Advances	$ 200	$ 210

Advances are primarily for operational use for the Métis Settlements Ombudsman.

NOTE 6 TANGIBLE CAPITAL ASSETS

(in thousands)

	EQUIPMENT[a]	COMPUTER HARDWARE AND SOFTWARE	2010 TOTAL	2009 TOTAL
Estimated Useful Life	5 - 10 years	3 -10 years		
Historical Cost				
Beginning of year	$ 95	$ 442	$ 537	$ 412
Additions	22	10	32	125
	$ 117	$ 452	$ 569	$ 537
Accumulated Amortization				
Beginning of year	$ 36	$ 89	$ 125	$ 75
Amortization	10	48	58	50
	$ 46	$ 137	$ 183	$ 125
Net book value at March 31, 2010	$ 71	$ 315	$ 386	
Net book value at March 31, 2009	$ 59	$ 353		$ 412

[a] Equipment includes office equipment and furniture.

NOTE 7 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2010	2009
Service Contracts	$ 3,432	$ 1,291
Grants	10,400	20,203
	$ 13,832	$ 21,494

Estimated payment requirements for each of the next five years are as follows:

	SERVICE CONTRACTS	GRANTS	TOTAL
2010-11	$ 1,387	$ 10,300	$ 11,687
2011-12	645	100	745
2012-13	645	-	645
2013-14	645	-	645
2014-15	110	-	110
	$ 3,432	$ 10,400	$ 13,832

NOTE 8 CONTINGENT LIABILITIES

(in thousands)

As at March 31, 2010, the Ministry of Aboriginal Relations is a defendant in 34 legal claims (2009 – 32 legal claims) concerning Aboriginal rights, Indian title and treaty rights. In most cases, these claims have been filed jointly and severally against the Ministry and the Government of Canada, and in some cases involve third parties.

Eighteen of these claims have specified amounts totaling $145,584,950 and the remaining 16 have no specified amount (2009 – 18 claims with a specified amount of $110,574,950 and 14 with no specified amount). Included in the total legal claims are 14 claims amounting to $1,016,450 (2009 – 13 claims amounting to $1,016,450) in which the Ministry has been jointly named with other entities. In addition, there are 3 claims (2009 – 3 claims) for treaty land entitlement for which Alberta may have an obligation under the Natural Resources Transfer Agreement.

The resulting loss, if any, from these claims cannot be determined.

NOTE 9 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $1,240 for the year ended March 31, 2010 (2009 - $1,101).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of $483,199 (2008 – $568,574) and the Public Service Pension Plan reported a deficiency of $1,729,196 (2008 – $1,187,538). At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,516 (2008 – $7,111).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2010, the Bargaining Unit Plan reported an actuarial deficiency of $8,335 (2009 – $33,540) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,431 (2009 – a deficiency of $1,051). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 COMPARATIVE FIGURES

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister of Aboriginal Relations.

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE 1

Revenues

Year ended March 31

(IN THOUSANDS)

	2010		2009 RESTATED (NOTE 3)
	BUDGET	ACTUAL	ACTUAL
Internal Government Transfers			
Transfers from the Lottery Fund	$ 110,200	$ 105,768	$ 102,075
Other Revenue			
Refund of Expenditure	-	152	295
Others	-	52	-
	-	204	295
Total Revenues	$ 110,200	$ 105,972	$ 102,370

SCHEDULE 2

Expenses - Directly Incurred Detailed by Object

Year ended March 31

(IN THOUSANDS)

	2010		2009
			RESTATED (NOTE 3)
	BUDGET	ACTUAL	ACTUAL
Voted:			
Salaries, Wages and Employee Benefits	$ 9,728	$ 9,986	$ 9,341
Salaries, Wages and Employee Benefits from Support Service Arrangements with Related Parties[a]	1,380	1,385	1,337
Supplies and Services	3,137	3,195	4,037
Supplies and Services from Support Service Arrangements with Related Parties[a]	698	442	616
Grants	134,852	128,723	125,970
Financial Transactions and Other	113	229	227
Amortization of Tangible Capital Assets	33	58	50
Total Voted Expenses	$ 149,941	$ 144,018	$ 141,578
Statutory:			
Valuation Adjustments			
Provision for Vacation Pay	-	251	235
	$ -	$ 251	$ 235

[a] The Ministry of Aboriginal Relations receives Information Management Technology, Freedom of Information and Protection of Privacy Act, Finance, Administration, and Human Resource Services from the Ministry of International and Intergovernmental Relations.

SCHEDULE 3

Budget

Year ended March 31

(IN THOUSANDS)

	2009-10 AUTHORIZED BUDGET
Revenues	
Internal Government Transfers	$ 110,200
	110,200
Expenses - Directly Incurred	
Voted Expenses	
Ministry Support Services	3,661
First Nations and Métis Relations	21,724
Métis Settlements Appeal Tribunal	1,092
First Nations Development Fund	110,000
Consultation and Land Claims	12,114
Policy and Planning	1,350
	149,941
Statutory Expenses	
Valuation Adjustment	
Provision for Vacation Pay	-
Net Operating results	$ (39,741)
Equipment/Inventory Purchases (EIP)	$ 25

SCHEDULE 4

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory Expenses by Element to Authorized Budget

Year ended March 31

(IN THOUSANDS)

VOTED EXPENSE, EIP AND CAPITAL INVESTMENT		2009-10 ESTIMATES	ADJUST-MENTS[a]	2009-10 AUTHORIZED BUDGET	2009-10 ACTUAL	UNEXPENDED (OVER EXPENDED)
1. Ministry Support Services						
1.0.1	Minister's Office	$ 540	$ -	$ 540	$ 457	$ 83
1.0.2	Deputy Minister's Office	617	-	617	589	28
1.0.3	Communications	415	-	415	412	3
1.0.4	Corporate Services					
	- Expense	1,889	-	1,889	1,827	62
	- EIP	25	-	25	22	3
1.0.5	Cabinet Policy Committee	200	-	200	201	(1)
		3,686	-	3,686	3,508	178
2. Aboriginal Relations and Consultation						
2.1	**First Nations and Métis Relations**					
2.1.1	Program Support	880	(35)	845	743	102
2.1.2	Aboriginal Economic Partnerships	5,770	160	5,930	4,603	1,327
2.1.3	First Nations Relations					
	- Expense	3,929	(439)	3,490	3,655	(165)
	- Expense Funded by Lotteries	200		200	200	-
2.1.4	Métis Relations	3,393	207	3,600	3,329	271
2.1.5	Métis Settlements Land Registry					
	- Expense	470	-	470	460	10
	- EIP		-		10	(10)
2.1.6	Métis Settlements Ombudsman	645	-	645	803	(158)
2.1.7	Métis Settlements Transitional Funding	6,000	-	6,000	6,000	-
2.1.8	Aboriginal Community Initiatives	437	107	544	480	64
		21,724	-	21,724	20,283	1,441

continued

[a] Internal reallocation of funding occurred after Estimates publication.

SCHEDULE 4...continued

(IN THOUSANDS)

VOTED EXPENSE, EIP AND CAPITAL INVESTMENT		2009-10 ESTIMATES	ADJUSTMENTS[a]	2009-10 AUTHORIZED BUDGET	2009-10 ACTUAL	UNEXPENDED (OVER EXPENDED)
2.2	**Métis Settlements Appeal Tribunal**					
2.2.1	Métis Settlements Appeal Tribunal	$ 1,092	$ -	$ 1,092	$ 1,067	$ 25
2.3	**First Nations Development Fund**					
2.3.1	First Nations Development Fund					
	- Expense Funded by Lotteries	110,000	-	110,000	105,576	4,424
2.4	**Consultation and Land Claims**					
2.4.1	Program Support	637	60	697	475	222
2.4.2	Land and Regulatory Issues	1,115	(306)	809	681	128
2.4.3	Resource Consultation and Traditional Use	10,362	246	10,608	11,365	(757)
		12,114	-	12,114	12,521	(407)
2.5	**Policy and Planning**					
2.5.1	Policy and Planning	1,350	-	1,350	1,035	315
2.6	**Land and Legal Settlements**					
2.6.1	Land and Legal Settlements	-	-	-	60	(60)
	Operating Expense	$ 39,741	$ -	$ 39,741	$ 38,242	$ 1,499
	Expense Funded by Lotteries	110,200	-	110,200	105,776	4,424
	Equipment/Inventory Purchases	25	-	25	32	(7)
		$ 149,966	$ -	$ 149,966	$ 144,050	$ 5,916
Statutory Expenses:						
	Valuation Adjustments	$ -	$ -	$ -	$ 251	$ (251)
		$ -	$ -	$ -	$ 251	$ (251)

[a] Internal reallocation of funding occurred after Estimates publication.

SCHEDULE 5

Salary and Benefits Disclosure

Year ended March 31

	2010				2009
	BASE SALARY[1]	OTHER CASH BENEFITS[2]	OTHER NON-CASH BENEFITS[3]	TOTAL	TOTAL
Deputy Minister[4]	$ 264,069	$ -	$ 61,770	$ 325,839	$ 370,375
Executives					
Assistant Deputy Minister - First Nation Métis Relations	185,117	-	45,387	230,504	255,850
Assistant Deputy Minister - Consultation and Land Claims[5]	231,396	-	5,931	237,327	171,337
Assistant Deputy Minister - Corporate Services[6]	168,565	6,471	40,985	216,021	219,784
Executive Director - Policy and Planning	136,993	-	33,148	170,141	176,926

Total salary and benefits relating to a position are disclosed.
Schedule prepared in accordance with Treasury Board Directive 12/98 as amended.

[1] Base salary includes regular base pay.

[2] Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2010.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

[4] Automobile provided, no dollar amount included in other non-cash benefits.

[5] The position was vacant between April and July 2008.

[6] The incumbent's services are shared with the Ministry of International and Intergovernmental Relations which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.

SCHEDULE 6

Related Party Transactions

Year Ended March 31

(IN THOUSANDS)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties. These transactions are recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	2010	2009
Revenues		
Grants from Alberta Gaming and Liquor Commission	$ 105,768	$ 102,075
Expenses – Directly Incurred		
Supplies and Services Provided by Other Ministries	$ 74	$ 104
Receivable from/payable to Alberta Gaming and Liquor Commission	$ 29,183	$ 30,631

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	2010	2009
Expenses – Incurred by Others:		
Accommodation	$ 700	$ 1,227
Legal Services	1,016	1,300
Air Transportation	84	160
Business Services & Other	783	835
	$ 2,583	$ 3,522

SCHEDULE 7

Allocated Costs

Year ended March 31

(IN THOUSANDS)

	2010							2009
		EXPENSES-INCURRED BY OTHERS				VALUATION ADJUSTMENTS		RESTATED (NOTE 3)
PROGRAM	EXPENSES[1]	ACCOM-MODATION COSTS[2]	LEGAL SERVICES[3]	AIR TRANS-PORTATION[4]	BUSINESS SERVICES & OTHER[5]	VACATION PAY	TOTAL EXPENSES	TOTAL EXPENSES
Ministry Support Services	$ 3,486	$ 166	$ -	$ -	$ 102	$ 29	$ 3,783	$ 4,417
First Nations and Métis Relations	20,273	276	380	42	295	131	21,397	21,887
Métis Settlements Appeal Tribunal	1,067	136	-	-	47	5	1,255	1,409
First Nations Development Fund	105,576	33	-	-	104	11	105,724	102,021
Consultation and Land Claims	12,521	37	636	42	168	49	13,453	14,340
Policy and Planning	1,035	52	-	-	67	26	1,180	1,261
Land and Legal Settlements	60	-	-	-	-	-	60	-
	$144,018	$ 700	$1,016	$ 84	$ 783	$ 251	$146,852	$145,335

[1] Expenses - Directly Incurred as per Statements of Operations, excluding valuation adjustments.

[2] Costs shown for Accommodation on Schedule 6, allocated by FTE.

[3] Costs shown for Legal Services on Schedule 6, allocated by estimated costs incurred by each program.

[4] Air transportation costs based on 50/50 split.

[5] Other costs include Service Alberta, Solicitor General & Public Security and Treasury Board expenses not billed.

Aboriginal Relations

Annual Report
2009-2010

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